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RR RUEHLN RUEHVK RUEHYG
DE RUEHTA #0722/01 1051202
ZNR UUUUU ZZH
R 141202Z APR 08
FM AMEMBASSY ASTANA
TO RUEHC/SECSTATE WASHDC 2209
INFO RUCPCIM/CIMS NTDB WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCNCIS/CIS COLLECTIVE 0470
RUEHAK/AMEMBASSY ANKARA 2154
RUEHBUL/AMEMBASSY KABUL 0391
RUEHNE/AMEMBASSY NEW DELHI 0499
RUEHAST/USOFFICE ALMATY 0382

UNCLAS SECTION 01 OF 02 ASTANA 000722

SIPDIS

DEPT FOR SCA/CEN (O'MARA)
DEPT PASS TO OPIC - BALLINGER
DEPT PASS TO TDA FOR STEIN, EXIM FOR GLAZER
DEPT PASS TO AID - EE-PHILLIPS/RUSHING
TREASURY FOR OASIA/VELTRI
USDOC FOR 4231/ITA/MAC/MLONDON, 4201/BISNIS
USDOC FOR 6110/ITA/TD/BI/RHALPERN
ANKARA FOR CFC

SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [EIND](#) [ENRG](#) [EPET](#) [EFIN](#) [KTDB](#) [KZ](#)

SUBJECT: KAZAKHSTAN ECONOMIC AND ENERGY UPDATE, MARCH 8 - MARCH 21, 2008

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11. Summary: This information is drawn primarily from the Kazakhstani local press, and has not been verified for accuracy.

-- \$1 Billion Loan for Kazakhstan Development Bank
-- New Appointments at FSA
-- MangistauMunayGas Appeals Energy Ministry Decision
-- Karachaganak Consortium Faces Environmental Fine
-- Petrolinvest to Merge Two Kazakhstani Companies
-- Energy Statistics for January-February 2008

\$1 Billion Loan for Kazakhstan Development Bank

22. The state-owned Kazakhstan Development Bank (KDB) has received a \$1 billion syndicated loan on the international markets, according to a KDB press release. The loan was extended by a group of banks including Credit Suisse, ING, HSBC, SMBC, Bayern LB, and the China Development Bank. The Kazakhstan Development Bank is one of several institutions operating under the umbrella of the state-owned Kazyna Sustainable Development Fund. (Interfax-Kazakhstan, March 11)

New Appointments at FSA

33. Alina Aldambergen and Kuat Kozahkkhmetov have been appointed co-deputy chairpersons of Kazakhstan's Financial Supervision Agency (FSA). Prior to this appointment, Aldambergen worked as the Deputy Chairperson of the Almaty Financial Center Agency, and Kozhakhmetov served as Chairman of the Managing Board of Tsesna Bank. Former FSA Deputy Chairman Gani Uzbekov was simultaneously dismissed and transferred to another, unnamed position. (Interfax-Kazakhstan, March 14)

MangistauMunayGas Appeals Energy Ministry Decision

44. MangistauMunayGas(MMG), which is owned by Central Asia Petroleum Ltd. of Indonesia, filed an appeal with the Almaty economic court

against the results of a January 2008 inspection conducted by the Energy Ministry. The Energy Ministry accused MMG of failing to meet its investment obligations, and thus causing a \$72.2 million loss to the state budget. (Liter newspaper, March 14)

Karachaganak Consortium Faces Environmental Fine

15. A Kazakhstani court fined a group of Western energy majors developing the Karachaganak gas field \$15 million for environmental damages. Kazakhstani authorities accused the Karachaganak Petroleum Operating (KPO) consortium of unauthorized gas flaring. KPO denied any wrongdoing and is challenging the fine. (Reuters, March 19)

16. KPO reached an important milestone on March 10. It loaded its 200 millionth barrel of oil into the Caspian Pipeline Consortium (CPC) pipeline. (KPO press release, March 11)

Petrolinvest to Merge Two Kazakhstani Companies

17. Polish oil company Petrolinvest plans to merge two Kazakhstan's engineering and servicing companies, Caspian Services (CS) and KazakhstanCaspishelf (KCS) after completing its acquisition of them over the coming months. (Interfax-Kazakhstan, March 12)

Energy Statistics for January-February 2008

18. Kazakhstan produced 5.567 billion cubic meters of gas (including dry natural gas, liquefied natural gas, and natural gas liquids) during the January-February 2008 period -- which represents a 15.8% increase year-on-year. Dry natural gas production rose 20.2% year-on-year to 3.224 bcm. (Interfax - Kazakhstan, March 20)

19. According to the National Statistics Agency, coal production for January-February grew 18.4% year-on-year to 18,903.9 tons.

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Electricity production rose 11.5% to 15,756.3 million kilowatt-hours. (Interfax - Kazakhstan, March 21)

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